



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070045
Inspection Type:	COMPLETE
Inspection Date:	Thursday, July 08, 2010
Start Date/Time:	7/8/2010 9:05:00 AM
End Date/Time:	7/8/2010 10:40:00 AM
Last Inspection:	Tuesday, June 08, 2010

Inspector: Pete Hess

Weather: Sunny, low humidity. 80's F.

InspectionID Report Number: 2418

Accepted by: jhelfric

7/29/2010

Permittee: **HEADWATERS ENERGY SERVICES**

Operator: **HEADWATERS ENERGY SERVICES**

Site: **COVOL SITE**

Address: ,

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: ~~PROPOSED~~ *Active*

Current Acreages

30.00	Total Permitted
30.00	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☐ Federal
☐ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☐ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Mr. Kyle Edwards represented the Permittee during today's inspection.

Inspector's Signature:

Pete Hess

Pete Hess,

Inspector ID Number: 46

Date

Thursday, July 08, 2010

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.
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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit issued by the State of Utah is in effect until September 1, 2014. The NOI Air Quality Approval Order was renewed on January 5, 2009. The Division needs to modify the Special Permit Condition which is listed on attachment "A" of the current State permit which requires the electronic quarterly submittal of water monitoring data. This site has one ground water monitoring point, which is a well on the east side of the permit area. The water monitoring requirement established within the MRP only requires four quarterly samples during the first year of operation and four during the first year of reclamation of the site. The Permittee met the initial requirement on September 23, 2009, and notification of this was sent to the Division on November 30, 2009. No other water monitoring has occurred since, which is in accordance with the approved plan.

3. Topsoil

The east side topsoil pile was inspected and some coal fines were observed on the berm, and in the retention ditch surrounding the pile. No fines were observed on the pile itself. The stored soil has a surface crust, which seems to allow any wind borne fines to be blown off and away from the storage pile. The issue was discussed with Mr. Edwards. The Division suggested two possible ways to prevent a possible future compliance action; 1) install a "snow" fence on the west side of the topsoil pile to knock down the fines before they reach the pile, or 2) re-locate the pile to a spot where no coal storage exists on the west side of the storage location. Mr. Edwards agreed to discuss this with Ms. Gina Rau, Environmental Manager for the Permittee. Topsoil storage location signs are in place at both the east and west pile locations.

4.a Hydrologic Balance: Diversions

the 18 inch CMP reporting to ditch E-3. Plate 7-2, Site Watershed and Drainage Map will be updated accordingly, (See R645-301-722.500). The Permittee was instructed to submit both proposed changes to the Division as a modification to the Chapter 7 information.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Mr. Edwards conducted the second quarter impoundment inspections for the east and west ponds on June 2, 2010. No signs of instability or other hazards were noted with either of the two incised ponds. As observed this day, only the west pond contained a small amount of water. No problems were identified.

9. Protection of Fish, Wildlife and Related Environmental Issues

The Permittee, through Dr. Patrick Collins of Mt. Nebo Scientific, conducted four burrowing owl surveys during June of 2010. No owls were observed during the two morning and two evening surveys. A final report is pending for submittal in the Permittee's 2010 Annual Report.

13. Revegetation

The Permittee has not conducted any additional seeding on the two topsoil piles since the June application made to the lower half of those piles. Mr. Edwards is waiting to determine the results of those initial applications.

20. Air Quality Permit

The current air quality Approval Order, DAQE-AN0129520006-09 was renewed on January 5, 2009. The amount of permitted throughput is 1.5 MTP rolling 12 month period. The required speed limit within the permit boundary is 10 MPH. An application of water to the operational haul roads was still visible.

21. Bonding and Insurance

The current policy period for the general liability insurance coverage remains in effect through October 1, 2010. There are no explosive or detonator storage magazines on site.

22. Other

The Division completed its review of the 2009 Annual Report information for the COVOL site on February 25, 2010.